GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2492
ANSWERED ON:18.03.2005
INFLATION RATE QUESTION
Chinta Mohan Dr. ;Nahata Smt. P. Jaya Prada

Will the Minister of FINANCE be pleased to state:

(a) whether the rate of inflation is assessed by the Government separately on the basis of wholesale price index and consumer price index in the country;

(b) if so, whether there is wide difference in the aforesaid indices;

(c) if so, the difference between the rate of inflation projected by the aforesaid indices during December, 2004 and January, 2005 in the country; and

(d) the rate of inflation projected by each of the aforesaid indices along with the number of commodities on the basis of the prices of which both the indices are assessed?

Answer

MINISTER OF STAE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a): Yes, Sir. The Government monitors and reviews the movements in the Wholesale Price Index (WPI) and the Consumer Price Index for Industrial Workers (CPI-IW) regularly. While the data on WPI are available on a weekly basis after a lag of almost two weeks, data on CPI (IW) are available on a monthly basis after a lag of almost four weeks.

(b) & (c): Due to differences in methodology, concepts, coverage and weighting diagrammes, there are differences in the rate of inflation in terms of WPI and CPI (IW). The provisional estimates for the month of December 2004 and January 2005 are indicated below:

WPI and CPI-IW and Annual Inflation Rates (Per cent)

	Price Index		Annual Inflation %	
Year/ Month	WPI (Base: 1993-94	CPI-IW (Base 1982)	WPI	CPI-IW
Dec 2004	188.7*	521	6.7*	3.8
Jan 2005	188.5*	526	5.5*	4.4

* Provisional

(d) : Inflation rates by major groups for WPI and CPI for the month of December, 2004 and January, 2005 are indicated below

Annual point-to-point Inflation Rates in WPI (Per cent)

Major groups	No. of Items	Weight %	Dec 2004*	Jan 2005*
All commodities	435	100.00	6.7	5.5
Primary articles	98	22.03	3.0	1.7
Fuel, power light & lubricants	19	14.23	12.2	10.1
Manufactured products	318	63.75	6.2	5.3

* Provisional

Annual point-to-point Inflation Rates in CPI-IW (Per cent)

Major groups	No. of Items	Weight %	Dec 2004	Jan 2005
General	330	100.00	3.8	4.4
Food	152	57.00	1.8	1.6
Pan, supari, tobacco,				

intoxicants	19	3.15	3.2	2.3
Fuel & light	11	6.28	9.3	8.8
Housing	01	8.67	11.7	20.4
Clothing, bedding and footwear	44	8.54	2.4	3.0
Miscellaneous group	103	16.36	3.3	3.5